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Information for Annuitants

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Under the
PUBLIC SERVICE SUPERANNUATION ACT

Treasury board

Issued by Superannuation Branch
Office of the Comptroller of the Treasury • Ottawa

INFORMATION FOR ANNUITANTS

The purpose of this folder is to acquaint you and where necessary your dependents and representatives of your estate with information pertaining to the payment of superannuation benefits. It is hoped that you will give it careful attention and then retain it with your personal papers. We have every desire to authorize these important payments promptly and without misunderstanding.

The folder is, of course, a general guide only, and therefore if any conflict develops between it and the Public Service Superannuation Act and Regulations, the Act and Regulations shall govern.

If after reading this folder you have any questions about your superannuation benefits, please do not hesitate to seek clarification in writing from the Superannuation Branch. We welcome such inquiries and wish to do everything in our power to ensure that you continue to enjoy the benefits you have earned through your employment in the public service.

INQUIRIES

The notification of a change in your address or questions regarding deductions from your superannuation cheque or a delay in the delivery of your cheque should be directed to:

Chief, Superannuation and Retirement Fund Section,
Central Pay Division,
Central Services Branch,
Office of the Comptroller of the Treasury,
Ottawa 3, Ontario.

All other inquiries should be directed to:

Chief, Superannuation Branch,
Office of the Comptroller of the Treasury,
Ottawa 3, Ontario.

**TO ENSURE A PROMPT REPLY TO YOUR INQUIRY,
PLEASE QUOTE YOUR FINANCE FILE NUMBER.**

PART I

FOR THE ATTENTION OF RETIRED CONTRIBUTORS

1. NOTICE TO RETIRED MALE PUBLIC SERVANTS

If they have not already been submitted, the following documents should be forwarded to the Superannuation Branch within six months after your retirement:

- 1) your wife's birth certificate,
- 2) your marriage certificate, and
- 3) the birth certificates of any children under eighteen years of age.

If you are divorced or if your wife is deceased or is separated* from you, evidence to this effect should also be submitted. Any subsequent change in your marital status should be reported to this Branch within six months after the event. Since up-to-date and complete records will prevent a delay in determining the benefits to which your dependents or estate are entitled, the prompt submission of these documents is in their interest. Any information that you submit to the Superannuation Branch is treated with the utmost confidence.

*If you are living apart from your wife, contact the Superannuation Branch regarding information that will be required to ensure that there will be no unnecessary delay in the payment of benefits in the event of your death.

2. PAYMENT OF YOUR ANNUITY

Your annuity is payable by monthly instalments during your lifetime. There may be a slight delay in the delivery of your first superannuation cheque. After that, you should receive your cheques by the last day of each month. Due to irregularities in mail delivery or mailing of the cheques, you may find that you will not always receive your cheques on the same day. If your superannuation cheque is lost or stolen, contact the Superannuation and Retirement Fund Section, Central Pay Division of the Central Services Branch, Comptroller of the Treasury immediately.

Since your superannuation cheque cannot be negotiated by an executor, administrator or attorney in fact, your next-of-kin should be aware of the following procedure in the event that you become incapable of endorsing your superannuation cheque. Your cheque can be endorsed by the mark (X) if it is witnessed by two persons who sign their names and give their places of residence in full. If this method of endorsement is impossible, arrangements can be made whereby your superannuation cheque will be made payable to someone authorized to act on your behalf. A request for a change of payee should be directed to the Superannuation Branch.

Unless there is a court order requiring you to pay an amount to your spouse, former spouse, or child and the Minister recognizes the court order by having an amount deducted from benefits payable to you and paid to the person named in the order, you will receive the full amount of your annuity less the deductions mentioned below.

3. DEDUCTIONS FROM YOUR SUPERANNUATION CHEQUE

You should ensure that the proper deductions are being made from your cheque. If you are in doubt about your deductions, you should contact:

Chief, Superannuation and Retirement Fund Section,
Central Pay Division,
Central Services Branch,
Office of the Comptroller of the Treasury,
Ottawa 3, Ontario.

However, to assist you the following is a list of possible deductions.

(a) Compulsory Deductions

- (i) Income tax based on your claimed exemption on the T.D.1 form
- (ii) Instalments payable on an election for additional service

(b) Voluntary Deductions — You will have indicated these deductions on a deduction from annuity form and referred it to your personnel officer at the time of your retirement.

- (i) Group Surgical-Medical Insurance Plan — When you ceased active employment, you received an application form for Group Surgical-Medical Insurance Plan coverage unless you worked for an agency to whom the plan did not apply. If you wish to continue to participate in this plan, the application card must be completed indicating the type of coverage you desire and returned to your personnel officer or this Branch within sixty days after your retirement. If your application is submitted after that date, it must be accompanied by a statement of health.
- (ii) Supplementary Death Benefit (see section 6.)
- (iii) Contributory provincial hospital insurance plan
- (iv) Blue Cross Plan (where payroll deduction facilities are provided)
- (v) Civil Service Insurance
- (vi) Civil Service Mutual Benefit Society
- (vii) Veterans Land Act
- (viii) Canada Savings Bonds
- (ix) Veterans Insurance
- (x) Returned Soldiers' Insurance

4. RE-EMPLOYMENT IN THE FEDERAL PUBLIC SERVICE

If you become re-employed in the federal public service, payment of your superannuation annuity is subject to possible suspension or reduction. Since any overpayment of your annuity is recoverable and recovery may prove a financial hardship to you, it is in your interest to notify the Superannuation Branch of any re-employment in the federal public service on a casual or any other basis. You should not negotiate your cheques until your entitlement has been determined. Provided you are not in receipt of a disability annuity, employment outside the federal public service does not affect your annuity. (See section 5.)

(a) The following is a list of persons who are considered to be re-employed in the federal public service for superannuation purposes.

- (i) Employees of any portion of the federal public service including members of boards, commissions, or corporations whose remuneration is payable out of the Consolidated Revenue Fund or by an agent of Her Majesty in right of Canada. An obvious example of such re-employment is employment with a department such as Post Office, Public Works or Transport. Less obvious examples might be employment with boards such as the Atlantic Development Board or the Dominion Coal Board; a commission such as the International Joint Commission or the National Capital Commission or a corporation such as the Farm Credit Corporation.
- (ii) Members of the Canadian navy, army or air forces or the Royal Canadian Mounted Police.
- (iii) Employees of Central Mortgage and Housing Corporation.
- (iv) The Lieutenant Governor of a province, a member of the Senate or a judge of any Court referred to in the Judges' Act.

Note: Employment as an independent contractor, a returning officer during a federal election, or as a census commissioner or enumerator is not considered re-employment for superannuation purposes.

- (b) If you become re-employed in the federal public service and *become a contributor* to the Superannuation Account, your annuity will cease during your re-employment. When you again cease to be employed, you may become entitled to an annuity that has been re-calculated on the total service to your credit.

If the calculation of your original pension was on a five-year average salary basis, or included any period of free service, contact the Superannuation Branch. It may be to your advantage to

retain this first pension and have a second pension based on your second period of service.

- (c) If you become re-employed in the federal public service and *do not become a contributor* to the Superannuation Account, you may receive during any three month period beginning the first day of January, April, July or October, both your salary and annuity provided the sum of both does not exceed three times the salary you earned during the last full calendar month of your employment prior to retirement. If this sum exceeds three times your last full month's salary, your annuity will be reduced by the amount of the excess.

For example, if your last full month's salary was \$400 and your gross monthly pension is \$150, you could earn \$750 in the three month period before your annuity would be affected since \$750 is the difference between \$1200 (3×400) and \$450 (3×150). After you earn that amount, any additional salary will result in reduction of the amount of your annuity.

5. DISABILITY PAYMENTS

If you are in receipt of a disability annuity by reason of your employment in the public service, suspension of the annuity will occur if you regain your health or are capable of carrying out either your former duties or other duties in keeping with your qualifications. If there is any indication that you are gainfully employed or have regained your health, you will be asked to undergo a medical examination. Failure to undergo the medical examination can result in suspension of your disability annuity.

Once you reach age sixty, you will cease to be entitled to a disability annuity and become entitled to a regular annuity in the same amount. Your regular annuity is not subject to suspension on medical grounds.

If you have selected a deferred annuity payable at age sixty, a disability annuity may be paid to you if you become disabled before reaching that age. Should this occur, notify the Superannuation Branch and you will be advised of the proper procedure to follow to establish your entitlement.

6. SUPPLEMENTARY DEATH BENEFIT

The following information applies only to those persons participating in the Supplementary Death Benefit plan who leave the public service for reason of age or ill-health. If you are entitled to an immediate annuity and have been employed in the public service without interruption for five years or have been a participant in the Supplementary Death Benefit Plan

for five years, you are considered to have automatically elected to continue your full death benefit coverage. No action is required on your part to continue this coverage.

Death benefit contributions are deducted from your annuity cheques at the same rate as they were when you were an employee, that is, 10 cents for every \$250 of coverage. However, at age sixty-five, \$500 of your benefit is paid up and no further contributions are required on that portion of your coverage. This coverage will not be reduced below \$500 and you will have this coverage as long as you live.

After age sixty, your death benefit coverage is reduced by ten per cent every year, with the exception, of course, that it is never reduced below \$500. These reductions take place on either April 1 or October 1 whichever date first follows each birthday commencing with your sixty-first birthday.

At any time, you may reduce your benefit to \$500 by completing and forwarding to the Superannuation Branch the Appendix A which is attached to the Form B. You received this form with this folder. In doing so, however, you should realize that you forfeit any coverage in excess of \$500. *Your election is irrevocable so if you wish to retain your normal death benefit coverage do not complete the Appendix A.*

PART II

FOR THE ATTENTION OF YOUR DEPENDENTS, SOLICITORS AND EXECUTORS

1. PROCEDURE TO FOLLOW IN THE CASE OF DEATH

To ensure that there is no delay in the payment of benefits to which your dependents are entitled, they and the representatives of your estate should be aware of the existence and location of this folder and in particular the contents of this section.

In the event of death, the death certificate or the certificate issued by the funeral director indicating the date of death should be sent to the Superannuation Branch and any uncashed superannuation cheques returned. If you have submitted the documents requested in the first section of this folder, the certificate of death is usually sufficient to effect immediate payment.

Uncashed superannuation cheques and the cheque for the month in which death occurred will be re-issued to the widow or to the estate.

Also, upon evidence of death, the Supplementary Death Benefit is generally paid to the wife of a male participant or the estate of a female participant.

Under the provisions of the Public Service Superannuation Act, the recipients of benefits are set out. Since it is a statute of Canada, the provisions of a Will or a Last Testament do not take precedence over the provisions of the Act.

Where a contributor or recipient has disappeared under circumstances that, in the opinion of the Minister of Finance, lead beyond a reasonable doubt to the presumption that he is dead, it is possible for the Minister to issue a certificate stating the date upon which death is presumed to have occurred. Upon the issuance of this certificate, any benefits to which a widow and/or children or the estate are entitled become payable. If a situation of this kind occurs, please contact the Superannuation Branch regarding the procedure to establish the entitlement.

2. GROUP SURGICAL-MEDICAL INSURANCE PLAN COVERAGE

As soon as notification of death is received in this Branch, an application card for Group Surgical-Medical Insurance will be forwarded to the widow or, if applicable, to the guardian of any minor children.

When the application form has been processed, we will forward a G.S.M.I.P. identification card, a booklet explaining the features of the plan and several claim forms.

3. THE AMOUNT OF ALLOWANCE PAYABLE TO WIDOWS AND CHILDREN

The widow and children under eighteen years of age, up to a maximum of four, are normally entitled to an allowance after an annuitant's death. One of the exceptions to this general rule is that if the marriage took place after retirement the widow and any children of that marriage are not entitled to an allowance. The widow's allowance is ordinarily one-half of the contributor's annuity, while the children's allowance is ordinarily one-tenth of the contributor's annuity. For instance, a widow with four children under eighteen years of age will ordinarily receive a total of nine-tenths of her husband's annuity. The guardian of four orphaned children under eighteen years of age will ordinarily receive a total of eight-tenths of the contributor's annuity.

The widow's allowance is payable during her lifetime, but will cease if she remarries. However, the allowance may be reinstated if her second husband dies and the widow did not at the time of her second marriage request a return of the sum of money which still remained in the Superannuation Account to the credit of the first husband. To prevent overpayment of an allowance, the Superannuation Branch should be notified of a remarriage. Children's allowances are payable until the child's eighteenth birthday.

The allowance payable to a widow may be reduced if the contributor's death occurs within five years of marriage; also, it will, in ordinary circumstances, be reduced if the age of the contributor exceeds that of the widow by twenty or more years.

The widower of a deceased female contributor is not entitled to an allowance. However, if a female contributor is survived by her husband, each child under eighteen years of age to a maximum of four children will receive one-tenth of her annuity. If there is no widower, each child will receive two-tenths of the contributor's annuity with a maximum of eight-tenths payable. It should be noted that the widow of an annuitant may be employed in the federal public service and receive at the same time the widow's allowance and her salary.

4. RESIDUAL AMOUNTS

If, upon death, there is no one to whom an allowance may be paid and an amount remains to the contributor's credit in the Superannuation Account, such an amount is termed a residual amount. This is the amount by which the person's own contributions to the Superannuation Account exceed the aggregate of the sum of money paid to that person and/or persons entitled to an allowance on his or her behalf. This amount is

paid to the contributor's estate, or in special circumstances where the amount is less than \$500 as the Treasury Board may direct.

As stated earlier, if you have any questions, you are invited to get in touch with the Superannuation Branch. We shall be pleased to assist you.

ROGER DUHAMEL, F.R.S.C.
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